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January 27, 2016

PERSONAL & CONFIDENTIAL

Ms. Ann Harter
Director of Finance
Town of Newington
131 Cedar Street
Newington, CT 06111

Re: Town of Newington Pension Plans
Actuarial Reports for Fiscal Year 2016-2017

Dear Ann:

We are pleased to provide these actuarial reports for the Town of Newington Pension Plans. The reports show the financial status of the plans as of July 1, 2015 and present the cost figures for 2016-2017. A summary of the principal results of each valuation can be found at the end of Section I.

The Actuarially Determined Contributions for FY 2016-2017 are shown below:

	Administrative Plan	Municipal Plan	Police Plan	Total
Town	\$391,798	\$727,012	\$3,515,356	\$4,634,166
Board of Education	<u>63,660</u>	<u>967,677</u>	<u>0</u>	<u>1,031,337</u>
Total	455,458	1,694,689	3,515,356	5,665,503

Please let me know if you have any questions.

Sincerely,

Rebecca A. Sielman, FSA
Consulting Actuary

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TOWN OF NEWINGTON MUNICIPAL EMPLOYEES' PENSION PLAN

**Actuarial Valuation as of July 1, 2015
For Fiscal Year 2016-17**

Prepared by

Rebecca A. Sielman, FSA
Consulting Actuary

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Certification

We have performed an actuarial valuation of the Plan as of July 1, 2015 for fiscal year 2016-17. This report presents the results of our valuation.

The ultimate cost of a pension plan is the total amount needed to provide benefits for plan members and beneficiaries and to pay the expenses of administering the plan. Pension costs are met by contributions and by investment return on plan assets. The principal purpose of this report is to set forth an actuarial recommendation of the contribution, or range of contributions, which will properly fund the plan, in accordance with applicable government regulations. In addition, this report provides:

- A valuation of plan assets and liabilities to review the year-to-year progress of funding.
- Information needed to meet disclosure requirements.
- Review of plan experience for the previous year to ascertain whether the assumptions and methods employed for valuation purposes are reflective of actual events and remain appropriate for prospective application.
- Assessment of the relative funded position of the plan, i.e., through a comparison of plan assets and projected plan liabilities.
- Comments on any other matters which may be of assistance in the funding and operation of the plan.

This report may not be used for purposes other than those listed above without Milliman's prior written consent. If this report is distributed to other parties, it must be copied in its entirety, including this certification section.

Milliman's work is prepared solely for the internal business use of the Town. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s): (a) the Town may provide a copy of Milliman's work, in its entirety, to the Town's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Town; and (b) the Town may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law. No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

In preparing this report, we relied on employee census data and financial information as of the valuation date, furnished by the Town. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete and our calculations may need to be revised. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Certification

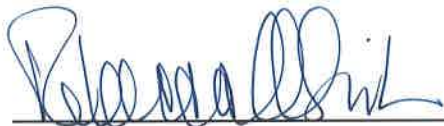
The calculations reported herein have been made on a basis consistent with our understanding of ERISA and the related sections of the tax code. Additional determinations may be needed for purposes other than meeting funding requirements, such as judging benefit security at plan termination or meeting employer accounting requirements. On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate and all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices.

We further certify that, in our opinion, each actuarial assumption, method and technique used is reasonable taking into account the experience of the Plan and reasonable expectations or would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption, method, or technique were reasonable. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of such future measurement.

The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuary is independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Rebecca A. Sielman, FSA
Consulting Actuary

Section I - Executive Summary

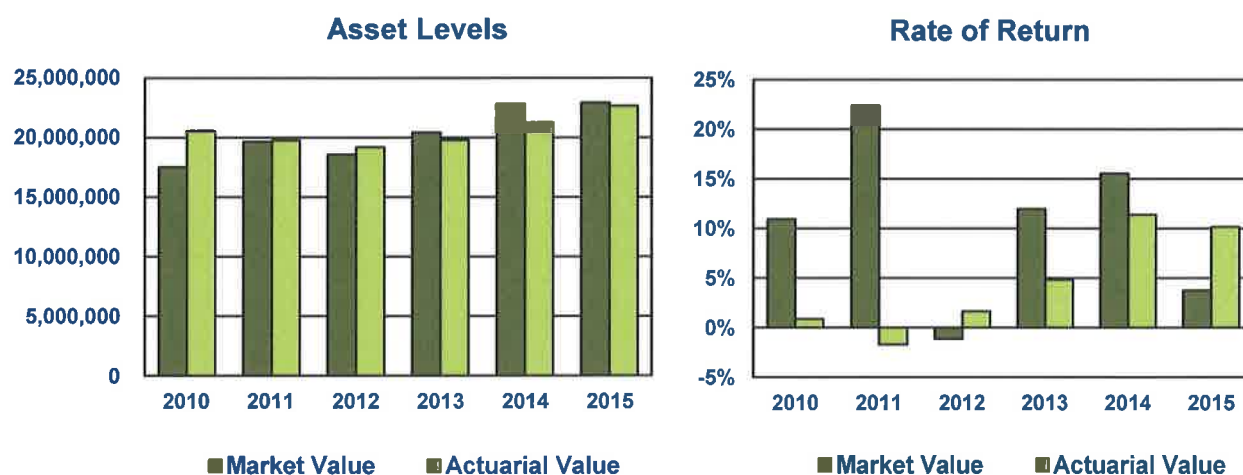
A. Highlights

Assets

There are two different measures of the plan's assets that are used throughout this report. The **Market Value** is a snapshot of the plan's investments as of the valuation date. The **Actuarial Value** is a smoothed asset value designed to temper the volatile fluctuations in the market by recognizing investment gains or losses over five years.

	Market	Actuarial
Value as of July 1, 2014	\$22,813,406	\$21,260,237
Contributions	1,897,051	1,897,051
Investment Income	842,672	2,128,846
Benefit Payments and Administrative Expenses	(2,606,800)	(2,606,800)
Value as of July 1, 2015	22,946,329	22,679,334

For fiscal year 2014-15, the plan's assets earned 3.75% on a Market Value basis and 10.18% on an Actuarial Value basis. The actuarial assumption for this period was 7.50%; the result is an asset loss of \$842,700 on a Market Value basis and a gain of \$560,400 on an Actuarial Value basis. Historical asset values are shown in the graph below to the left; historical returns are shown in the graph below to the right.



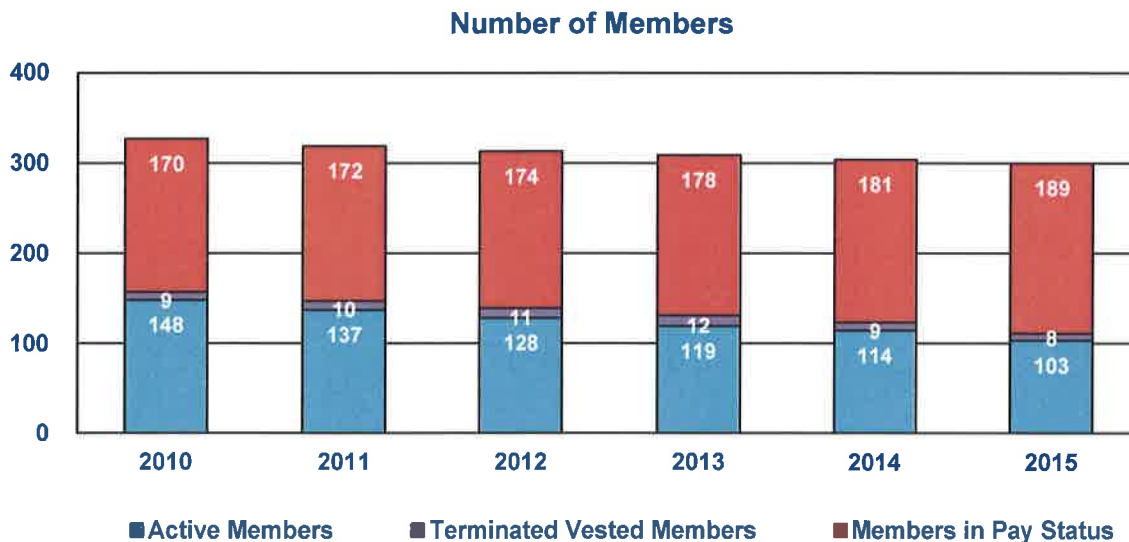
Please note that the Actuarial Value currently is less than the Market Value by \$267,000. This figure represents investment gains that will be gradually recognized over the next five years. This process will exert downward pressure on the Town's contribution, unless there are offsetting market losses.

Section I - Executive Summary

A. Highlights

Membership

There are three basic categories of plan members included in the actuarial valuation: (1) active employees who have met the eligibility requirements for membership, (2) former employees who have a vested right to benefits but have not yet started collecting, and (3) members who are receiving monthly pension benefits.



From July 1, 2014 to July 1, 2015, the overall membership decreased from 304 to 300. During this period, 4 retired members died without a beneficiary and 12 members retired.



The decline in overall payroll levels tracks the decline in active members covered by this plan.

Section I - Executive Summary

A. Highlights

Plan Changes

None.

Changes in Actuarial Methods or Assumptions

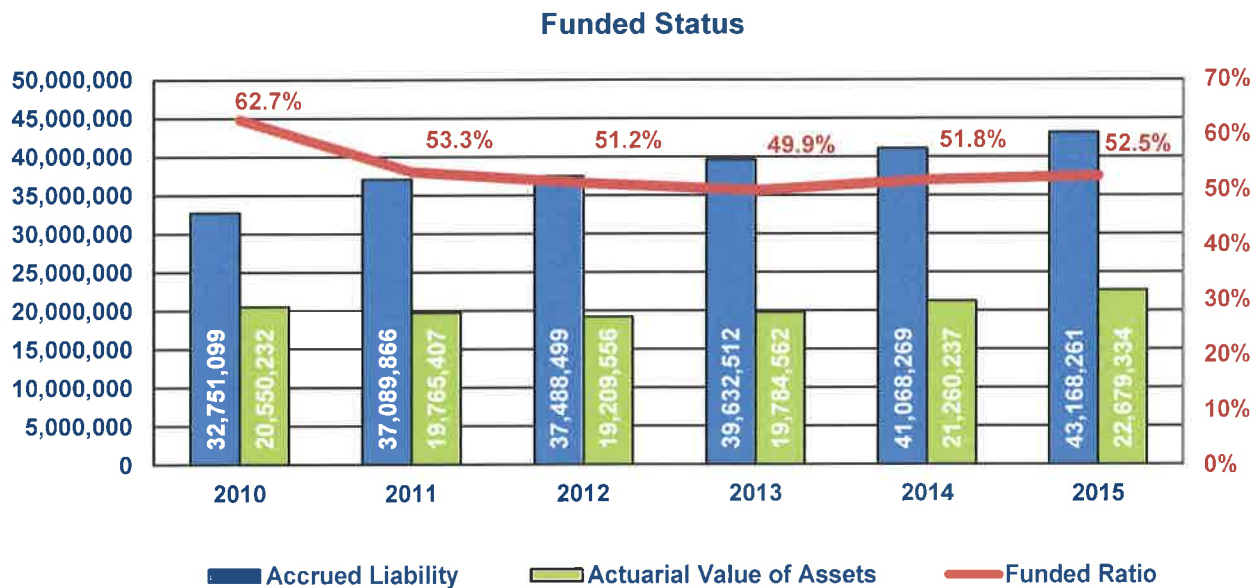
In order to better anticipate future market returns, we have lowered the interest rate assumption from 7.5% to 7.375%. This change increased the Unfunded Accrued Liability by \$516,000 and increased the Actuarially Determined Contribution by \$117,200. We will continue to reduce the interest rate assumption by increments over the next several years.

Section I - Executive Summary

A. Highlights

Funded Status

The chart below shows the plan's Accrued Liability and Actuarial Value of Assets for the past few years. Since investment gains and losses are recognized gradually over a five year period, the large market losses suffered in 2007-08 and 2008-09 are manifested by a gradual decline in the funded ratio. Absent future market losses, the funded ratio should start to rise.



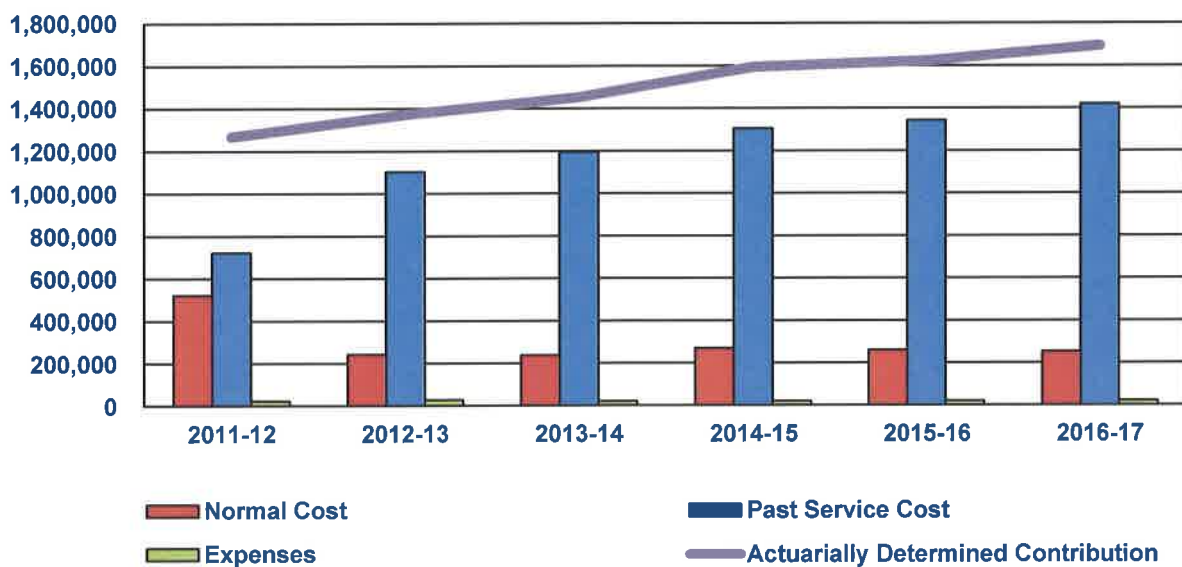
Section I - Executive Summary

A. Highlights

Actuarially Determined Contribution

The Actuarially Determined Contribution consists of three pieces: a **Normal Cost** payment to fund the benefits earned each year, a **Past Service Cost** to gradually reduce any unfunded or surplus liability, and **Expenses** expected to be paid from plan assets. If the plan has a sufficiently large surplus, the Past Service Cost may be large enough to cover the Normal Cost, in which case no contribution is required.

Contribution levels for the current year and the past few fiscal years are shown below.



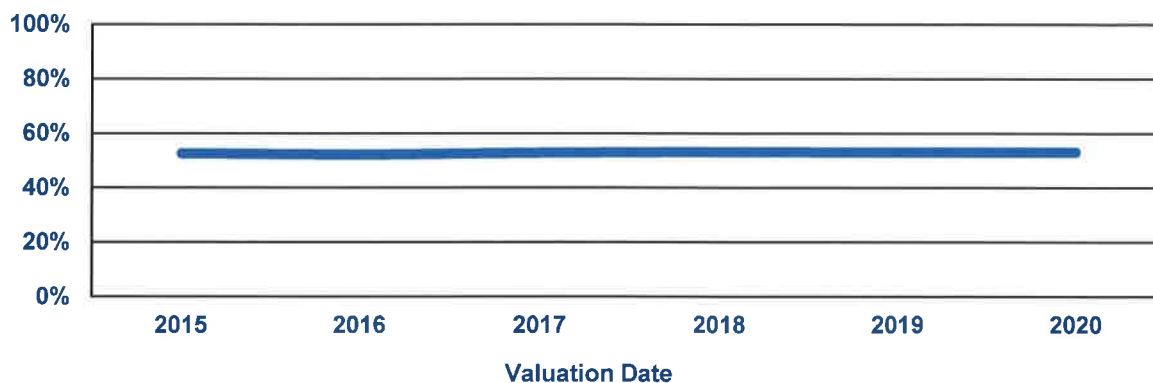
Section I - Executive Summary

A. Highlights

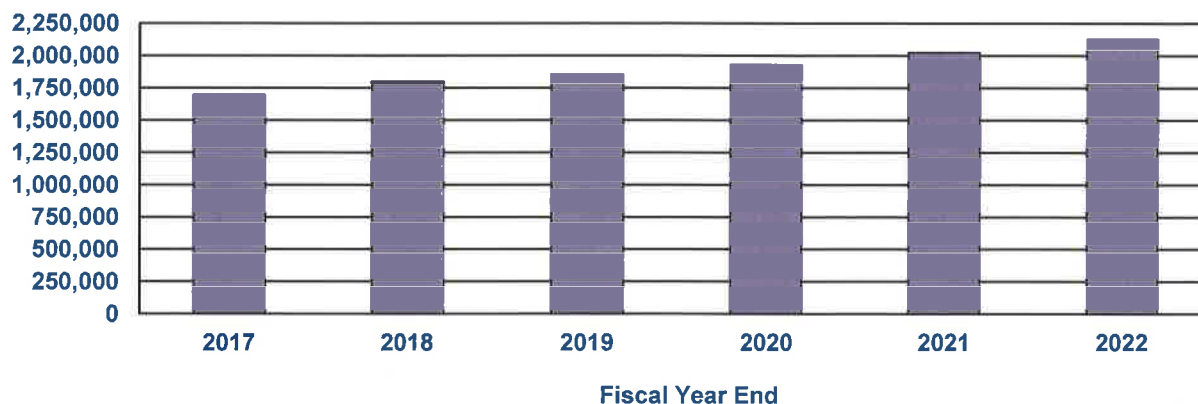
Long Range Forecast

The Town intends to reduce the interest rate assumption gradually over the next several years. This will depress the funded ratio and increase the Actuarially Determined Contribution while that process is underway.

Funded Ratio



Actuarially Determined Contribution



To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Section III C for more details of the long range forecast.

Section I - Executive Summary

B. Summary of Principal Results

Membership	July 1, 2014	July 1, 2015
Active Members	114	103
Terminated Vested Members	9	8
Members in Pay Status	181	189
Payroll	\$7,037,357	\$6,603,026
Assets and Liabilities	July 1, 2014	July 1, 2015
Market Value of Assets	\$22,813,406	\$22,946,329
Actuarial Value of Assets	21,260,237	22,679,334
Accrued Liability for Active Members	\$19,584,713	\$19,055,079
Accrued Liability for Terminated Vested Members	469,385	474,112
Accrued Liability for Members in Pay Status	21,014,171	23,639,070
Total Accrued Liability	41,068,269	43,168,261
Unfunded Accrued Liability	19,808,032	20,488,927
Funded Ratio	51.8%	52.5%
Actuarially Determined Contribution for Fiscal Year	2015-16	2016-17
Normal Cost	\$260,040	\$252,841
Past Service Cost	1,342,502	1,420,448
Expenses	20,100	21,400
Actuarially Determined Contribution	1,622,642	1,694,689
Breakdown of Actuarially Determined Contribution	2015-16	2016-17
Board of Education	\$944,477	\$967,677
Town	678,165	727,012
Total	1,622,642	1,694,689

Section II - Plan Assets

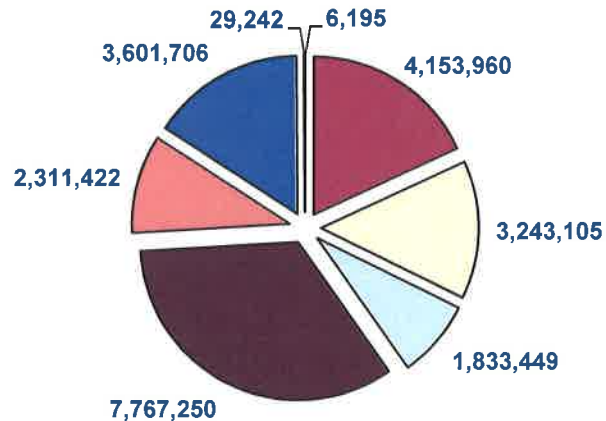
A. Summary of Fund Transactions

Market Value as of July 1, 2014	\$22,813,406
Employer Contributions	1,594,153
Employee Contributions	302,898
Benefit Payments	(2,586,064)
Interest and Dividends	350,575
Capital Gains/(Losses)	615,003
Investment Expenses	(122,906)
Administrative Expenses	(20,736)
Market Value as of July 1, 2015	22,946,329
Approximate Rate of Return	3.75%

Note: The rate shown here is not the dollar or time weighted investment yield rate which measures investment performance. It is an approximate net return assuming all activity occurred on average midway through the fiscal year.

Asset Allocation

- Cash
- Core Fixed Income
- Intermediate Term Bonds
- Non-US Fixed Income
- Large Cap US Equities
- Small Cap US Equities
- Developed Foreign Equities
- Accrued Income/(Expenses)/(Benefits)



Section II - Plan Assets

B. Development of Actuarial Value of Assets

In order to minimize the impact of market fluctuations on the contribution level, we use an Actuarial Value of Assets that recognizes gains and losses over a five year period. The Actuarial Value of Assets as of July 1, 2015 is determined below.

1. Expected Market Value of Assets:			
a. Market Value of Assets as of July 1, 2014			\$22,813,406
b. Employer and Employee Contributions			1,897,051
c. Benefit Payments and Administrative Expenses			(2,606,800)
d. Expected Investment Return Based on 7.50% Interest			<u>1,685,344</u>
e. Expected Market Value of Assets as of July 1, 2015			23,789,001
2. Actual Market Value of Assets as of July 1, 2015			22,946,329
3. Market Value (Gain)/Loss: (1e) - (2)			842,672
4. Delayed Recognition of Market (Gains)/Losses:			
		Percent Not	Amount Not
Plan Year End	(Gain)/Loss	Recognized	Recognized
06/30/2015	\$842,672	80%	\$674,138
06/30/2014	(1,618,865)	60%	(971,319)
06/30/2013	(778,300)	40%	(311,320)
06/30/2012	1,707,530	20%	<u>341,506</u>
			(266,995)
5. Actuarial Value as of July 1, 2015: (2) + (4)			22,679,334
6. Approximate Rate of Return on Actuarial Value			10.18%
7. Actuarial Value (Gain)/Loss			(560,443)

Section III - Development of Contribution

A. Past Service Cost

For determining the Past Service Cost, the Unfunded Accrued Liability is amortized as a level percent over a period of 30 years starting on July 1, 2005.

	July 1, 2014	July 1, 2015
1. Accrued Liability		
Active Members	\$19,584,713	\$19,055,079
Terminated Vested Members	469,385	474,112
Retired Members	19,661,043	22,344,413
Disabled Members	159,178	112,950
Beneficiaries of Deceased Members	<u>1,193,950</u>	<u>1,181,707</u>
Total	41,068,269	43,168,261
2. Actuarial Value of Assets (see Section II B)	21,260,237	22,679,334
3. Unfunded Accrued Liability: (1) - (2)	19,808,032	20,488,927
4. Funded Ratio: (2) / (1)	51.8%	52.5%
5. Amortization Period	21	20
6. Amortization Growth Rate	3.50%	3.50%
7. Past Service Cost: (3) amortized over (5)	1,342,502	1,420,448

Section III - Development of Contribution
B. Actuarially Determined Contribution

	Fiscal Year 2015-16	Fiscal Year 2016-17
1. Total Normal Cost	\$560,844	\$537,523
2. Expected Employee Contributions	300,804	284,682
3. Expected Expenses	20,100	21,400
4. Net Normal Cost: (1) - (2) + (3)	280,140	274,241
5. Past Service Cost (see Section III A)	1,342,502	1,420,448
6. Actuarially Determined Contribution: (4) + (5)	1,622,642	1,694,689

Milliman Actuarial Valuation

Section III - Development of Contribution C. Long Range Forecast

This forecast is based on the results of the July 1, 2015 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution each year, the assets will return the assumed interest rate on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Valuation Date	Interest Rate	Values as of the Valuation Date				Cash Flows Projected to the Following Fiscal Year				
		Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio	Fiscal Year Ending	Town Contributions	Employee Contributions	Benefit Payments	Net Cash Flows
7/1/2015	7.375%	\$43,168,261	\$22,679,334	\$20,488,927	52.5%	2017	\$1,694,689	\$267,000	(\$2,939,000)	(\$977,311)
7/1/2016	7.250%	44,841,000	23,366,000	21,475,000	52.1%	2018	1,796,000	248,000	(3,071,000)	(1,027,000)
7/1/2017	7.125%	46,132,000	24,357,000	21,775,000	52.8%	2019	1,849,000	233,000	(3,165,000)	(1,083,000)
7/1/2018	7.000%	47,293,000	25,160,000	22,133,000	53.2%	2020	1,925,000	214,000	(3,306,000)	(1,167,000)
7/1/2019	6.875%	48,375,000	25,597,000	22,778,000	52.9%	2021	2,026,000	199,000	(3,396,000)	(1,171,000)
7/1/2020	6.750%	49,284,000	26,125,000	23,159,000	53.0%	2022	2,125,000	184,000	(3,491,000)	(1,182,000)
7/1/2021	6.750%	49,524,000	26,652,000	22,872,000	53.8%	2023	2,185,000	169,000	(3,602,000)	(1,248,000)
7/1/2022	6.750%	49,633,000	27,203,000	22,430,000	54.8%	2024	2,250,000	153,000	(3,731,000)	(1,328,000)
7/1/2023	6.750%	49,594,000	27,723,000	21,871,000	55.9%	2025	2,317,000	137,000	(3,842,000)	(1,388,000)
7/1/2024	6.750%	49,384,000	28,193,000	21,191,000	57.1%	2026	2,387,000	123,000	(3,933,000)	(1,423,000)
7/1/2025	6.750%	49,006,000	28,633,000	20,373,000	58.4%	2027	2,468,000	109,000	(4,025,000)	(1,448,000)
7/1/2026	6.750%	48,478,000	29,066,000	19,412,000	60.0%	2028	2,556,000	97,000	(4,098,000)	(1,445,000)
7/1/2027	6.750%	47,787,000	29,500,000	18,287,000	61.7%	2029	2,651,000	86,000	(4,143,000)	(1,406,000)
7/1/2028	6.750%	46,949,000	29,966,000	16,983,000	63.8%	2030	2,757,000	76,000	(4,188,000)	(1,355,000)
7/1/2029	6.750%	45,982,000	30,503,000	15,479,000	66.3%	2031	2,876,000	66,000	(4,238,000)	(1,296,000)
7/1/2030	6.750%	44,885,000	31,128,000	13,757,000	69.4%	2032	3,007,000	57,000	(4,249,000)	(1,185,000)
7/1/2031	6.750%	43,640,000	31,854,000	11,786,000	73.0%	2033	3,161,000	50,000	(4,243,000)	(1,032,000)
7/1/2032	6.750%	42,281,000	32,744,000	9,537,000	77.4%	2034	3,350,000	43,000	(4,224,000)	(831,000)
7/1/2033	6.750%	40,823,000	33,851,000	6,972,000	82.9%	2035	3,608,000	37,000	(4,187,000)	(542,000)
7/1/2034	6.750%	39,273,000	35,240,000	4,033,000	89.7%	2036	4,097,000	32,000	(4,122,000)	7,000

For purposes of this forecast the amortization period declines to 1 year to illustrate the progress of the plan towards becoming fully funded; in actual practice the amortization period will not be less than 10 years in order to shield the Town from contribution volatility.

Section IV - Accounting Information

A. Notes to Required Supplementary Information

The information presented in Section IV has been determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	July 1, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent
Amortization Period	Closed 30 years from July 1, 2005
Asset Valuation Method	5 Year Smoothed Market Value
Actuarial Assumptions	
Investment Rate of Return	7.375%
Projected Salary Increases	3.50%
Amortization Growth Rate	3.50%
Inflation	2.75%
Cost-of-Living Adjustments	None

Milliman Actuarial Valuation

**Section IV - Accounting Information
B. Historical Schedule of Funding Progress**

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAAL) (2) - (1)	Funded Ratio (1) / (2)	Covered Payroll	UAAAL as a Percentage of Covered Payroll (3) / (5)
For Fiscal Year						
07/01/2006	\$18,702,672	\$26,269,778	\$7,567,106	71.2%	\$8,828,472	85.7%
07/01/2007	20,053,618	27,690,583	7,636,965	72.4%	8,664,697	88.1%
07/01/2008	21,122,318	29,652,774	8,530,456	71.2%	8,823,218	96.7%
07/01/2009	20,806,821	32,079,255	11,272,434	64.9%	8,831,569	127.6%
07/01/2010	20,550,232	32,751,099	12,200,867	62.7%	8,170,250	149.3%
07/01/2011	19,765,407	37,089,866	17,324,459	53.3%	7,503,241	230.9%
07/01/2012	19,209,556	37,488,499	18,278,943	51.2%	7,230,177	252.8%
07/01/2013	19,784,562	39,632,512	19,847,950	49.9%	6,806,553	291.6%
07/01/2014	21,260,237	41,068,269	19,808,032	51.8%	6,886,617	287.6%
07/01/2015	22,679,334	43,168,261	20,488,927	52.5%	6,514,492	314.5%

Section IV - Accounting Information

C. Schedule of Employer Contributions

	(1)	(2)	(3)	(4)	(5)
Fiscal Year Ending June 30	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contribution	Contribution Deficiency/ (Excess) (1) - (2)	Covered Payroll	Contribution as a Percentage of Covered Payroll (2) / (4)
2008	\$836,813	\$836,813	\$0	\$8,828,472	9.48%
2009	853,103	853,103	0	8,664,697	9.85%
2010	969,470	969,470	0	8,823,218	10.99%
2011	1,218,956	1,218,956	0	8,831,569	13.80%
2012	1,267,876	1,267,876	0	8,170,250	15.52%
2013	1,373,058	1,696,511	(323,453)	7,503,241	22.61%
2014	1,452,707	1,452,707	0	7,230,177	20.09%
2015	1,594,153	1,594,153	0	6,806,553	23.42%
2016	1,622,642	TBD	TBD	6,886,617	TBD
2017	1,694,689	TBD	TBD	6,514,492	TBD

Section IV - Accounting Information

D. Accrued and Vested Benefits

The actuarially computed Value of Accrued Benefits represents the present value of (a) the benefits based on earnings and service to date expected to become payable at future dates to present employees, (b) the benefits expected to become payable to former employees who have terminated service with vested rights or who have become inactive, and (c) the benefits currently payable to retired participants and beneficiaries.

	As of July 1, 2014	As of July 1, 2015
1. Value of Vested Benefits		
Active Members	\$13,869,878	\$13,325,597
Terminated Vested Members	469,385	474,112
Retired Members	19,661,043	22,344,413
Disabled Members	159,178	112,950
Beneficiaries of Deceased Members	<u>1,193,950</u>	<u>1,181,707</u>
Total Value of Vested Benefits	35,353,434	37,438,779
2. Value of Non-Vested Benefits	343,260	324,248
3. Total Value of Accrued Benefits: (1) + (2)	35,696,694	37,763,027
4. Market Value of Assets	22,813,406	22,946,329
5. Vested Funded Ratio: (4) / (1)	64.5%	61.3%
6. Accrued Funded Ratio: (4) / (3)	63.9%	60.8%

Section IV - Accounting Information
E. Statement of Changes in Accrued Plan Benefits

Increase/(Decrease) during the 2014-2015 plan year attributable to:

Increase for interest due to the decrease in the discount period	\$2,582,028
Benefits Accumulated/(Forfeited)	1,648,435
Benefit Payments	(2,586,064)
Plan Amendments	0
Changes in Actuarial Assumptions	421,934
Net Increase/(Decrease)	2,066,333

Value of Accrued Plan Benefits:

July 1, 2015	\$37,763,027
July 1, 2014	35,696,694
Net Increase/(Decrease)	2,066,333

Section V - Membership Data

A. Reconciliation of Membership from Prior Valuation

Details of the changes in the Plan membership since the last valuation are shown below. Additional details on the Plan membership are provided in the remainder of Section V.

	Active	Term. Vested	Retirees	Disabled	Bene- ficiaries	Total
Count as of July 1, 2014	114	9	163	4	14	304
Terminated not vested	-	-	-	-	-	0
Terminated, benefits due	-	-	-	-	-	0
Retired	(11)	(1)	12	-	-	0
Died, with beneficiary	-	-	-	-	-	0
Died, no beneficiary	-	-	(3)	(1)	-	(4)
Transfer out to other Plan	-	-	-	-	-	0
Payment Ceased	-	-	-	-	-	0
New member	-	-	-	-	-	0
New beneficiary	-	-	-	-	-	0
Correction	-	-	-	-	-	0
Count as of July 1, 2015	103	8	172	3	14	300

As of July 1, 2015, the active membership included 62 Board of Education members with payroll of \$3,700,174 and 41 Town members with payroll of \$2,902,852.

Section V - Membership Data

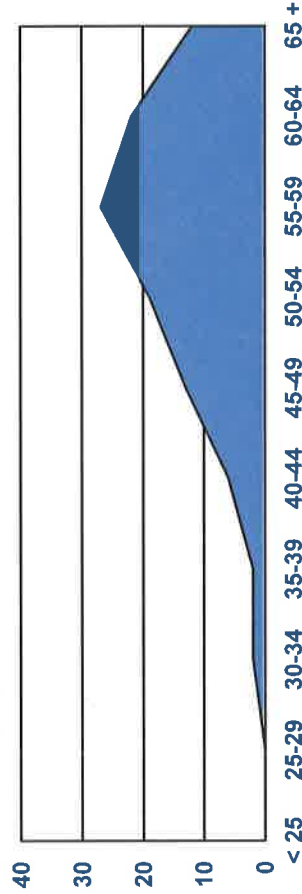
B. Statistics of Membership

	As of July 1, 2014	As of July 1, 2015
Active Members		
Number	114	103
Average Age	55.5	55.5
Average Service	18.2	18.5
Total Payroll	\$7,037,357	\$6,603,026
Average Payroll	61,731	64,107
Terminated Vested Members		
Number	9	8
Total Annual Benefit	\$68,037	\$65,472
Average Annual Benefit	7,560	8,184
Average Age	54.8	55.3
Retired Members		
Number	163	172
Total Annual Benefit	\$2,269,110	\$2,559,667
Average Annual Benefit	13,921	14,882
Average Age	76.2	76.2
Disabled Members		
Number	4	3
Total Annual Benefit	\$25,024	\$18,013
Average Annual Benefit	6,256	6,004
Average Age	76.0	76.7
Beneficiaries of Deceased Members		
Number	14	14
Total Annual Benefit	\$124,956	\$124,956
Average Annual Benefit	8,925	8,925
Average Age	67.7	68.7

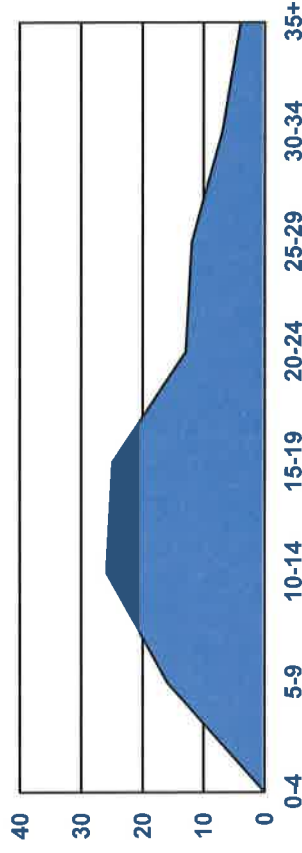
Section V - Membership Data
C. Distribution of Active Members as of July 1, 2015 - Count

Age	Years of Service								Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	
< 25	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0
30-34	0	2	0	0	0	0	0	0	2
35-39	0	0	2	0	0	0	0	0	2
40-44	0	1	2	2	1	0	0	0	6
45-49	0	1	6	3	1	2	0	0	13
50-54	0	2	2	4	4	5	2	0	19
55-59	0	5	7	6	5	1	2	1	27
60-64	0	5	4	5	2	3	2	1	22
65 +	0	0	3	5	0	1	1	2	12
Total	0	16	26	25	13	12	7	4	103

Distribution By Age



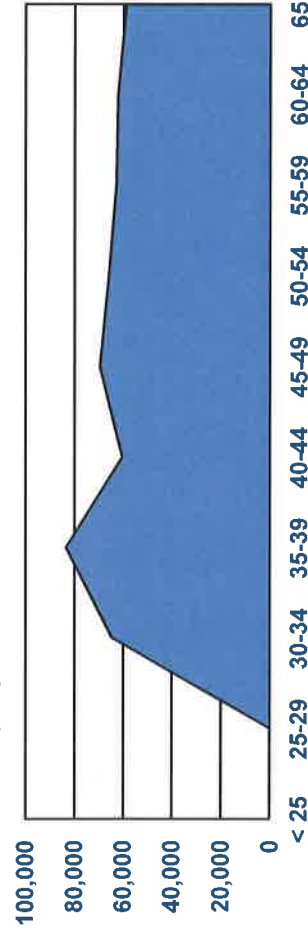
Distribution by Years of Service



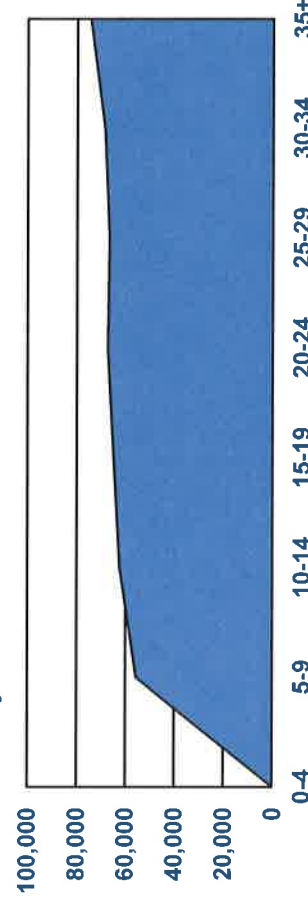
Section V - Membership Data
D. Distribution of Active Members as of July 1, 2015 - Average Pay

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
< 25	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0
30-34	0	64,602	0	0	0	0	0	64,602
35-39	0	0	83,587	0	0	0	0	83,587
40-44	0	31,871	47,385	78,018	80,519	0	0	60,533
45-49	0	55,413	70,350	74,813	77,436	63,433	0	69,712
50-54	0	61,225	68,802	58,461	63,617	72,943	70,192	65,972
55-59	0	59,380	55,550	61,465	70,770	61,335	70,116	91,257
60-64	0	51,359	57,866	65,633	55,489	62,427	73,711	111,839
65 +	0	0	61,615	62,605	0	61,871	53,360	47,744
Total	0	55,790	62,569	64,972	67,481	66,839	68,771	74,646

Distribution By Age



Distribution by Years of Service



Section V - Membership Data

E. Distribution of Inactive Members as of July 1, 2015

	Age	Number	Annual Benefits
Terminated Vested Members /	< 30	0	\$0
Members Due Refunds	30 - 39	0	0
	40 - 49	1	5,626
	50 - 59	6	56,485
	60 - 64	1	3,361
	65 +	0	0
	Total	8	65,472
Retired Members	< 50	1	\$29,928
	50 - 59	10	264,166
	60 - 69	34	672,504
	70 - 79	61	1,012,365
	80 - 89	52	500,379
	90 +	14	80,329
	Total	172	2,559,671
Disabled Members	< 50	0	\$0
	50 - 59	0	0
	60 - 69	1	5,781
	70 - 79	1	8,512
	80 - 89	1	3,720
	90 +	0	0
	Total	3	18,013
Beneficiaries of Deceased Members	< 50	1	\$16,466
	50 - 59	3	23,717
	60 - 69	3	42,971
	70 - 79	4	21,971
	80 - 89	3	19,829
	90 +	0	0
	Total	14	124,954

Appendix A - Actuarial Funding Method

The actuarial funding method used in the valuation of this Plan is known as the **Entry Age Normal Cost Method**. Recommended annual contributions until the accrued liability is completely funded will consist of two pieces: Normal Cost plus a payment towards the Unfunded Accrued Liability.

The **Normal Cost** is determined by calculating the present value of future benefits for present active Members that will become payable as the result of death, disability, retirement or termination. This cost is then spread as a level percentage of earnings from entry age to termination as an Active Member. If Normal Costs had been paid at this level for all prior years, a fund would have accumulated. Because this fund represents the portion of benefits that would have been funded to date, it is termed the **Accrued Liability**. In fact, it is calculated by adding the present value of benefits for Retired Members and Terminated Vested Members to the present value of benefits for Active Members and subtracting the present value of future Normal Cost contributions.

The funding cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

The unfunded liability for the plan is the excess of the Accrued Liability over the assets which have been accumulated for the plan. This Unfunded Accrued Liability is amortized as a level percent. Beginning on July 1, 2005, the amortization period is 30 years; the amortization period will decrease each year until it reaches 10 years, after which point it will remain at 10 years.

The **Actuarial Value of Assets** is determined by recognizing asset gains and losses over **five** years.

Appendix B - Actuarial Assumptions

Each of the assumptions used in this valuation was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and our professional judgment regarding future plan experience. We believe the assumptions are reasonable for the contingencies they are measuring, and are not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

Interest	Current: 7.375%																
	Prior: 7.50%																
Salary Scale	3.50%																
Amortization Growth Rate	3.50%																
Expenses	Administrative expenses paid in the prior year, increased by 3% and rounded to the nearest \$100.																
Healthy Mortality	RP-2000 Combined Healthy Mortality Table, Male and Female, with generational projection of future mortality improvements per Scale AA. This assumption includes a margin for improvements in longevity beyond the valuation date.																
Turnover	Rates according to the following table:																
	<table> <tr> <th>Service</th><th>Rate</th></tr> <tr> <td>0-4 years</td><td>10%</td></tr> <tr> <td>5+ years</td><td>5%</td></tr> </table>	Service	Rate	0-4 years	10%	5+ years	5%										
Service	Rate																
0-4 years	10%																
5+ years	5%																
Retirement	Rates according to the following table:																
	<table> <tr> <th>Age</th><th>Rate</th></tr> <tr> <td>55</td><td>3%</td></tr> <tr> <td>56-57</td><td>1%</td></tr> <tr> <td>58</td><td>5%</td></tr> <tr> <td>59-61</td><td>1%</td></tr> <tr> <td>62-64</td><td>20%</td></tr> <tr> <td>65-69</td><td>30%</td></tr> <tr> <td>70</td><td>100%</td></tr> </table>	Age	Rate	55	3%	56-57	1%	58	5%	59-61	1%	62-64	20%	65-69	30%	70	100%
Age	Rate																
55	3%																
56-57	1%																
58	5%																
59-61	1%																
62-64	20%																
65-69	30%																
70	100%																
Disability	11th Railroad Retirement Board Disability Rates.																
Disabled Mortality	RP-2000 Disabled Mortality Table, Male and Female. This assumption does not include a margin for improvements in longevity beyond the valuation date.																
Marital Status	80% of members are assumed to be married with wives 3 years younger than husbands.																

Appendix C - Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Eligibility	Employed for twenty or more hours a week for more than 5 months per calendar year. Effective January 1, 2007, the Plan is closed to new members.
Final Average Earnings	Highest average earnings received in any three full calendar years.
Continuous Service	Period of continuous employment with the Town beginning with the first of the month following date of employment.
Aggregate Service	The sum of all periods of Continuous Service.
Member Contributions	4.5% of after tax Earnings. Interest is credited at 4% per annum. Refund of Employee Contributions with interest to date of termination of employment or death, unless the employee is eligible for a deferred retirement income.
Normal Form of Benefit	Modified Cash Refund.
Normal Retirement Date	Earlier of age 63 or completion of 25 years of service.
Normal Retirement Benefit	1.7% of Final Average Earnings multiplied by years of Aggregate Service through July 1, 1990 plus 2% of Final Average Earnings multiplied by years of Aggregate Service since July 1, 1990, with a minimum of \$750 per year.
Early Retirement Date	Age 55, and 5 years of Continuous Service or 15 years of Aggregate Service.
Early Retirement Benefit	Accrued Benefit, actuarially reduced if payments begin prior to the member's 58th birthday.
Death Benefit Eligibility	Married Member (of at least one year) or with minor children. Age 30 with 5 years of Continuous Service.
Death Benefit	35% of benefit accrued to date of death.

Appendix C - Summary of Plan Provisions

Disability Retirement Eligibility	Five years of Aggregate Service and not eligible for benefits under the Long Term Disability Contract.
Disability Retirement Benefit	Accrued Benefit, not less than \$1,000 per year, payable to the earlier of the end of disability, death or Normal Retirement Date.
Termination Benefit Eligibility	Five years of Continuous Service or 15 years of Aggregate Service.
Termination Benefit	Benefit accrued to date of termination with payment commencing on Normal Retirement Date.